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8 Attorneys for Specially-Appearing Defendants
9 Pangang Group Company, Ltd., Pangang Group
Steel Vanadium & Titanium Company, Ltd.,
10 Pangang Group Titanium Industry Company,
Ltd., and Pangang Group International Economic
11 & Trading Company

12 UNITED STATES DISTRICT COURT

13 NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION

15 UNITED STATES OF AMERICA,

16 Plaintiff,

17 vs.

18 PANGANG GROUP COMPANY, LTD.,
PANGANG GROUP STEEL VANADIUM &
19 TITANIUM COMPANY, LTD.,
PANGANG GROUP TITANIUM
20 INDUSTRY COMPANY, LTD., and
PANGANG GROUP INTERNATIONAL
21 ECONOMIC & TRADING COMPANY,

22 Defendants.

CASE NO. CR 11-0573 JSW

**DECLARATION OF ROBERT P.
FELDMAN IN SUPPORT OF
SPECIALLY-APPEARING
DEFENDANTS' OPPOSITION TO
GOVERNMENT'S *EX PARTE* MOTION
FOR ORDER AUTHORIZING
PRODUCTION OF RULE 17(c)
MATERIALS IN ADVANCE OF
HEARING**

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1 DECLARATION OF ROBERT P. FELDMAN

2 I, Robert P. Feldman, declare as follows:

3 1. I am a member of the bar of the State of California and a member of Quinn
4 Emanuel Urquhart & Sullivan LLP, attorneys for Specially-Appearing Defendants Pangang Group
5 Company, Ltd., Pangang Group Steel Vanadium & Titanium Company, Ltd., Pangang Group
6 Titanium Industry Company, Ltd., and Pangang Group International Economic & Trading
7 Company (collectively, the "Specially-Appearing Defendants").

8 2. Based on my work in this matter and independent of any conversations I have had
9 with my clients, I believe the following factual assertions to be true and offer them to the Court for
10 its consideration of the Government's *Ex Parte* Motion for Order Authorizing Production of Rule
11 17(c) Materials in Advance of Hearing (Docket No. 110) ("*Ex Parte* Motion"), of which the
12 Specially-Appearing Defendants were given no notice prior to its filing.

13 3. The Government learned during the grand jury investigation that Pan America Inc.
14 ("Pan America"), an uncharged third party, transferred money to U.S. counsel for Zhuang Kai,
15 Yang Fudong, and Miu Hongli (the material witnesses referred to in the *Ex Parte* Motion at 2:25-
16 3:2) to pay for their legal fees in connection with that investigation.

17 4. Pan America transferred the money to pay for the fees of U.S. counsel for these
18 three witnesses because their counsel did not want payment of their fees to be subject to the
19 complications and delays involved in payment by the Specially-Appearing Defendants, which are
20 all Chinese corporations and thus subject to strict foreign exchange controls by the People's
21 Republic of China that can often delay international fund transfers or payments.

22 5. During the grand jury investigation, the Government obtained one or more written
23 agreements pursuant to which Specially-Appearing Defendant Pangang Group International
24 Economic & Trading Company ("PIETC") agreed to advance funds to Pan America with which
25 Pan America could then promptly pay the fees of U.S. legal counsel for their representation of the
26 witnesses at issue. The agreement further provided for the final net amount of funds transferred
27 from PIETC to Pan America to equal only the amount actually disbursed to the U.S. counsel for
28 representation of these witnesses.

1 6. The Government executed a search warrant at Pan America at its offices in New
2 Jersey prior to the return of the Superseding Indictment in this case.

3 7. As set forth in the Specially-Appearing Defendants' Motion to Quash Service of
4 Indictment (*see* Docket No. 107-1 at 3), Pan America has not been indicted in this case and is not
5 even mentioned in the indictment.

6 8. Prior to the return of the Superseding Indictment, the Government was expressly
7 informed that Pan America was not authorized to accept service on behalf of the Specially-
8 Appearing Defendants. (*See* Declaration of George D. Niespolo, Docket No. 107-3 at Ex. 1.)

9 I declare under penalty of perjury under the laws of the United States of America that I
10 believe the foregoing is true and correct.

11 Executed April 6, 2012, at Redwood Shores, California.

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/s/ Robert P. Feldman

Robert P. Feldman